

August 24, 2009

VIA E-MAIL AND FEDEX

Ms. Jamie Bradsher
Enforcement Officer
Superfund Enforcement Assessment Section (6SF-TE)
United States EPA, Region 6
1445 Ross Avenue
Dallas, Texas 75202-2733
E-mail: Bradsher.Jamie@epa.gov

Re: Response of Tulstar Refrigerants, Inc. and Tulstar Products, Inc. to the EPA's Request for Information Pursuant to Section 104(e) of CERCLA for the Norphlet Superfund Site, Norphlet, Union County, Arkansas SSID No. A6N8, EPA ID No. ARN000606985

Dear Ms. Bradsher:

This firm represents Tulstar Refrigerants, Inc. ("***Tulstar Refrigerants***") and Tulstar Products, Inc. ("***Tulstar Products***"). This correspondence is submitted on behalf of Tulstar Refrigerants and Tulstar Products in response to the United States Environmental Protection Agency's ("***EPA***") Request for Information Pursuant to Section 104(e) of CERCLA, 42 U.S.C. § 9604(e) (the "***Request***"), for the Norphlet Superfund Site as further described above. A request for an extension of time to respond to this Request was granted on July 2, 2009. Accordingly, this response is timely.

INTRODUCTORY STATEMENT

As has been communicated by Tulstar Refrigerants in our prior discussions and correspondence, neither Tulstar Refrigerants nor Tulstar Products should be considered potentially responsible parties for the problems that have occurred at the facility owned and previously operated by Norphlet Chemical, Inc. ("***Norphlet***") for several reasons. Pursuant to the agreement between Tulstar Refrigerants and Norphlet a copy of which is attached as Attachment 1 (the "***Norphlet-Tulstar Refrigerants Agreement***"), Norphlet agreed to produce the refrigerant, HFC-134a, and Tulstar agreed to purchase HFC-134a if manufactured to certain specifications. Pursuant to the agreement and in actual practice, the role of Tulstar Refrigerants was limited to the ordering of raw materials for delivery to Norphlet. The specific raw materials to be delivered and used by Norphlet to produce HFC-134a were hydrofluoric acid ("***HF***") and trichloroethylene ("***TCE***"). First, Tulstar Products was not a party to the Norphlet-Tulstar

Refrigerants Agreement and should not be included in this matter as discussed further below. The EPA's assertion of liability against Tulstar Refrigerants for Norphlet's failed production attempts and resulting abandoned hazardous substances at the Site rely upon Section 9607(a)(3) of Title 42 of the United States Code. That section imposes liability for a release or threatened release of hazardous substances upon any person who "arranged for disposal or treatment of hazardous substances owned or possessed by such person . . . at any facility . . . owned or operated by another party." 42 U.S.C. § 9607(a)(3). Courts have held that suppliers to a formulator used to create a final product can be held liable as arrangers under 42 U.S.C. §9607(a)(3) where (1) the supplier retains an ownership interest in the materials throughout the formulation process as well as the finished product, (2) the generation of hazardous wastes was inherent in the formulation process, and (3) wastes were in fact generated and disposed. *United States v. Aceto Agric. Chems Corp.*, 872 F.2d 1373 (8th Cir. 1989); *U.S. v. Hercules, Inc.*, 247 F.3d 706, 720 (8th Cir. 2001); *U.S. v. Vertac Chemical Corp.*, 966 F. Supp. 1491, 1501 (E.D. Ark. 1997).

The imposition of arranger liability pursuant to Section 9607(a)(3) against Tulstar Refrigerants is not appropriate as the first two elements established by the above-referenced cases are not present in this situation. First, Tulstar Refrigerants did not retain an ownership interest in the raw materials throughout the formulation process as discussed in detail in the response to Question No. 2 below. Second, as was previously explained to the EPA at the June 22, 2009 informal meeting between Tulstar Refrigerants and the EPA as well as in prior correspondence, the generation of hazardous waste was not inherent in Norphlet's manufacturing process. Cases imposing CERCLA liability upon suppliers as arrangers rely upon the fact that hazardous waste is necessarily generated and disposed of contemporaneously with the formulation process for producing a finished product. *Aceto*, at 1379 and 1381 (where the court found "that because the generation of pesticide-containing wastes is inherent in the pesticide formulation process, [the formulator] could not formulate defendants' pesticides without wasting and disposing of some portion of them" and that "defendants could not have hired [the formulator] to formulate their pesticides without also 'arranging for' the disposal of the waste.") With regard to Norphlet's situation, the generation of hazardous wastes was not inherent in the formulation process. In fact, had Norphlet properly performed its obligations under the Norphlet-Tulstar Refrigerants Agreement and produced HFC-134a and HCL as promised, no hazardous wastes would have been produced. This fact clearly distinguishes the Norphlet-Tulstar Refrigerants situation from the facts of cases in which arranger liability has been imposed and imposition of such liability against Tulstar Refrigerants is not proper or warranted in this case.

The Request is addressed to both Tulstar Refrigerants and Tulstar Products and, in the Background Information portion of the Request, Tulstar Refrigerants is referred to as an "apparent subsidiary" of Tulstar Products which is incorrect. Tulstar Refrigerants is a separate corporation with different ownership than Tulstar Products and is not a subsidiary. Neither corporation has any subsidiaries or is a subsidiary of any other entity. Except for the provision of services to Tulstar Refrigerants as an independent contractor pursuant to the Administrative Services Agreement between Tulstar Products and Tulstar Refrigerants, a copy of which is attached as Attachment 2 (the "ASA") and is further discussed below, Tulstar Products was not

involved in any of the dealings with Norphlet and has been erroneously included in the EPA's Request, General Notice Letter and other correspondence in connection with the Norphlet Superfund Site. There is no basis for such inclusion of Tulstar Products in this matter. No admission, whether actual, incidental or implied, is made by Tulstar Products by its participation in this response to the Request. Rather, it does so in the spirit of cooperation and as required by law.

This response is made solely for the purpose of responding to the EPA's Request and is subject to all objections as to competence, relevance, materiality, propriety and admissibility, and any and all objections and grounds that would require the exclusion of any statement therein if such statement were made by, or if any information sought were asked of, a witness present and testifying in court, all of which objections and grounds are reserved and may be interposed at a later time.

No incidental or implied admissions are intended by the responses herein. The fact that Tulstar Refrigerants and Tulstar Products are providing this response to the Request should not be taken as an admission that either of them accepts or admits the existence of any facts assumed by the Request or that such response constitutes admissible evidence as to any such assumed facts. The fact that Tulstar Refrigerants and Tulstar Products have responded to the information requested is not intended, and shall not be construed, to be a waiver by either of them of any part of any objection to the information requested.

Tulstar Refrigerants and Tulstar Products have attempted but may not have been able to review all documents which may contain information responsive to the Request. This is due to the fact that they may not have possession or control of all documents which may contain such information or may have disposed of some information in the ordinary course of business prior to receiving EPA's Request.

This response is based upon Tulstar Refrigerants' and Tulstar Products' present knowledge of the facts relevant to the information requested in the Request. Tulstar Refrigerants and Tulstar Products have not completed their investigation of the facts relating to the information requested or completed its investigation of any of the matters raised in the Request. This response is therefore made without prejudice to Tulstar Refrigerants' or Tulstar Products' rights to provide any additional facts or revise the facts provided herein in light of the additional information that may be discovered. Tulstar Refrigerants and Tulstar Products expressly reserve the right to revise and supplement their response to the Request in the event that subsequent investigation of the facts brings to light any information responsive to the information requested.

Tulstar Refrigerants and Tulstar Products object to the Request to the extent that it seeks documents or information protected by the attorney-client privilege, the work product doctrine, or any other applicable privilege. To the extent that the Request may be construed as seeking such privileged or protected information or documents, Tulstar Refrigerants and Tulstar Products hereby claim such privilege and invoke such protection, and will not intentionally produce such information or documents.

Tulstar Refrigerants and Tulstar Products further object to the Request to the extent that it seeks information and imposes any obligation on either of them beyond that required by CERCLA.

This Introductory Statement is hereby incorporated by reference into this response set forth below.

RESPONSES

NORPHLET CHEMICAL SUPERFUND SITE INFORMATION REQUEST

Question No. 1:

Identify the person(s) answering these questions on behalf of the Tulstar.

Response to Question No. 1:

Robert Dougherty, Esq.
Hall, Estill, Hardwick, Gable, Golden &
Nelson, P.C.
320 S. Boston Ave., Suite 200
Tulsa, Oklahoma 74103
(918) 594-0412

W. Mark Nagle
President
Tulstar Refrigerants, Inc.
5510 South Lewis Ave.
Tulsa, OK 74105
(918) 749-9060

Question No. 2:

Identify all persons (including you if applicable) who arranged to have the raw materials (including intermediate or finished chemicals) involved in the HFC-134a manufacturing process, delivered, stored, mixed processed, and/or handled at Norphlet's facility (the "***Site***"), located in Norphlet, Arkansas. Also, identify the materials involved in each such arrangement and the purchaser and the owner of such materials.

Response to Question No. 2:

Pursuant to the Norphlet-Tulstar Refrigerants Agreement, a copy of which is attached as Attachment 1, and in actual practice, the role of Tulstar Refrigerants was limited to the ordering of raw materials (HF and TCE) for delivery to Norphlet. Personnel from Norphlet would notify Tulstar Refrigerants that the plant was ready to receive raw materials for manufacturing HFC-134a. The following personnel from Norphlet made requests for either HF or TCE from Tulstar:

Jeffrey Garrison, President

Vic Forte, Vice President Operations

Norphlet Chemical, Inc., Norphlet AR (870) 546-2253

Pursuant to the ASA, Tulstar Products agreed to provide certain support and administrative services to Tulstar Refrigerants as an independent contractor of Tulstar Refrigerants and for agreed upon compensation. As part of those services, Tulstar Products assisted with the ordering process and logistics to deliver the raw materials to Norphlet. The personnel involved in the performance of such services by Tulstar Products for Tulstar Refrigerants pursuant to the ASA and their positions at the time are:

Mark Nagle, President
Phil Bates, Vice President Sales
Mark Fletcher, Vice President Operations
Teresa Parrish, Logistics Supervisor
David Leonard, former Logistics Specialist

The following personnel from Mexichem were involved in the shipment of HF to Norphlet:

Arnoldo de Leon Romo, Sales Director, Mexichem Fluor, (868) 811 10 56,
adeleon@mexichem.com.mx

Gilberto Cavazos, Logistics & shipments, Mexichem Fluor, 011-52-868-811-1093,
gcavazos@mexichem.com.mx

The following personnel from Dow Chemical Company were involved in the shipment of TCE to Norphlet:

Cindy Heenan, Account Executive, The Dow Chemical Company, 3420 Pump Road,
#407, Richmond, VA 23233, 804-346-2711, hennancm@dow.com

Marcia Vetter, CSO NA Chem/Performance, The Dow Chemical Company, 2040
Building, Midland, MI 48674, 989-832-1189, mmvetter@dow.com

Pursuant to the express terms of the ASA, Tulstar Products purchased both HF and TCE and immediately sold such materials to Tulstar Refrigerants. Pursuant to the Norphlet-Tulstar Refrigerants Agreement, Tulstar Refrigerants then had such raw materials delivered to Norphlet. Admittedly, the Norphlet-Tulstar Refrigerants Agreement is somewhat confusing in that it contains the terms "tolling" and "purchase" in multiple places. However, the terms of the Norphlet-Tulstar Refrigerants Agreement make clear that it is not a "tolling agreement" and that title to the raw materials did transfer to Norphlet upon delivery.

Included as part of the Norphlet-Tulstar Refrigerants Agreement in Attachment 1 is an amendment executed by the parties on August 21, 2006 (as discussed in Question 9 below). The amendment contains clear language that the Norphlet-Tulstar Refrigerants Agreement was not intended as, and is not, a tolling agreement, but rather is a purchase and sale agreement whereby Tulstar's costs of delivering the raw materials was factored into the price at which the HFC-134a was to be purchased by Tulstar Refrigerants after manufacture. The recitals to the amendment state "Norphlet and Tulstar [Refrigerants] entered into the [Norphlet-Tulstar Refrigerants]

Agreement whereby Tulstar [Refrigerants] shall purchase HFC-134a from Norphlet" (emphasis added). Further, the amendment provides that Norphlet was to sell hydrochloric acid ("**HCL**"), one of the two products that was to be produced by Norphlet's manufacturing process to Jones-Hamilton. In a true tolling agreement, one party agrees to provide a service for the other party such as processing or manufacturing services in exchange for a service fee or tolling fee and title to the item or product being processed or manufactured remains at all times with the party paying for the tolling services. The provisions of the Norphlet-Tulstar Refrigerants Agreement (including the amendment thereto) which provide for the "purchase" by Tulstar from Norphlet of one product created by Norphlet's production process (i.e. HFC-134a) and for the sale by Norphlet to Jones-Hamilton of the other product created thereby (i.e. HCL) are not consistent with a tolling agreement, but rather constitutes an agreement for the purchase and sale of HFC-134a. The reference in the agreement to the agreed upon purchase price as a "tolling fee" is an erroneous characterization of the intent of the parties and the effect of the agreement as a whole. Because Norphlet failed to manufacture HFC-134a, the contemplated purchases were never consummated and thus, title to all materials at the Site is or was solely in Norphlet.

Further support for the position that Norphlet became the owner of the raw materials upon delivery to its facility can be found in Section 1.B of the Norphlet-Tulstar Refrigerants Agreement which provides that "Norphlet agrees to pay to Tulstar all costs and expenses related to such raw materials if Norphlet fails to manufacture HFC-134a in sufficient marketable quantity or quality as set forth herein." Norphlet failed to manufacture HFC-134a in accordance with the terms of the Norphlet-Tulstar Refrigerants Agreement. The plain intent of Section 1.B is that title to the raw materials was to transfer to Norphlet and that, upon its failure to produce HFC-134a as required, Norphlet would reimburse Tulstar Refrigerants' costs of providing the raw materials. In letters previously sent to Norphlet, copies of which are attached as Attachment 3, Tulstar Refrigerants has previously demanded payment for the raw materials from Norphlet in the amount of \$270,000, which was the amount of its costs related to the raw materials.

Question No. 3:

Identify any persons, including (but not limited to) former and current employees of Tulstar, who may be knowledgeable of Norphlet's processes, operations, and hazardous material handling, storage and disposal practices.

Response to Question No. 3:

Personnel from Tulstar Refrigerants and Tulstar Products were not on site at Norphlet and did not have any involvement Norphlet's operations. Personnel at Tulstar Refrigerants or Tulstar Products have only a general understanding of Norphlet's processes, operations, and hazardous material handling, storage and disposal practices. Such cursory knowledge is based on tours of the facility hosted by Norphlet, and general telephone conversations with Norphlet and Jones-Hamilton personnel. It is believed that persons who possess this understanding include: John Garrison (CEO), Jeff Garrison (President) Ronnie or Ronny Jackson (Vice President Engineering or Consultant) and Vic Forte (Vice President Operations) of Norphlet and

Evert Talbot of Jones-Hamilton. To the best of our knowledge, Mr. Talbot's information is as follows:

Evert Talbot, Manager-Chemical Division, Jones-Hamilton Co., 428 Hidden Lake Court, Baton Rouge, LA 70810, 225-763-9990, etalbot@jones-hamilton.com

In addition, it is our understanding that Jones-Hamilton may have hired the following consultant to assist with the operations and this individual may have information about Norphlet's processes and operations. To the best of our knowledge, information about the consultant is as follows:

Fluoromer, LLC, Yuichi Iikubo, President, 2825 Barlow Street, West Lafayette, Indiana 47906

Question No. 4:

Provide a schematic diagram or flow chart that fully describes and or illustrates Norphlet's operations and processes at the Site, including the identity of raw, intermediate, or finished chemicals or materials involved, of products manufactured, and by-products recycled, recovered, treated, and/or disposed or otherwise processed. Identify any wastes disposed off-site and the place of disposition and state whether there were any chemical spills or disposal on the Site, and if so, describe any such events including the identity and quantity of chemical involved and whether and how Tulstar was aware of the same and was involved in cleanup of the same.

Response to Question No. 4:

Personnel from Tulstar Refrigerants and Tulstar Products were not on site at Norphlet's facility and did not have any involvement in the facility's operations. No personnel at Tulstar Refrigerants or Tulstar Products have a level of understanding that would allow them to prepare an operational diagram or flow chart. Generally, it was understood that the process being used required HF and TCE as raw materials and that these would react with a catalyst to produce commercially valuable products HFC 134a and HCL without any waste products. It is believed that persons who possess a more detailed understanding include: John Garrison (CEO), Jeff Garrison (President), Ronnie or Ronny Jackson (Vice President Engineering or Consultant) and Vic Forte (Vice President Operations) of Norphlet and Evert Talbot of Jones-Hamilton. As noted in the response to question 3, the consultant hired may also have information regarding operations and processes.

No personnel at Tulstar Refrigerants or Tulstar Products have first hand operational knowledge regarding wastes disposed of or chemical spills on site. There were two correspondences received from others regarding either disposal of product or a potential spill.

In April of 2008, Evert Talbot of Jones-Hamilton provided an update to Tulstar Refrigerants regarding recovered feedstock and noted in the update that there were totes of "Heavies or tars" that were hauled off to Clean Harbors in El Dorado Arkansas for disposal. Neither Tulstar Refrigerants nor Tulstar Products had any detailed information regarding the

identity and quantity of chemical involved and neither Tulstar Refrigerants nor Tulstar Products had any involvement in the cleanup of the same. A copy of the related correspondence can be found in Attachment 4 hereto.

In the afternoon of Friday, February 27, 2009, David Nevala of the Arkansas Economic Development Commission sent an email to Elena Forsyth of Tulstar Products. This correspondence indicated that Jim Crotty, the mayor of Norphlet, and Vic Forte had made Mr. Nevala aware of signs of deterioration in a relief valve of one of the AHF tanks and that the "potential for leakage of HF is imminent". Shortly before the email was received, Phil Bates, a Tulstar Refrigerants shareholder, received a call from Jim Crotty reporting similar news, although Mr. Bates understood from the conversation that the tank with the difficulty was one of the tanks with a mixture of products. A copy of the related correspondence can be found at Attachment 5.

Question No. 5:

Describe the role of Jones-Hamilton at the Site, including its relationship to Tulstar. This would include the role of Jones-Hamilton on the Site as it pertains to the apparent contractual agreement to purchase HCL and otherwise with respect to the Site, Norphlet, and Tulstar, including day to day activities at the Site. Identify all persons, including Tulstar, Norphlet, or Jones-Hamilton employees, who may be knowledgeable of Jones-Hamilton operations at Norphlet.

Response to Question No. 5:

Tulstar Refrigerants executed a contract with Jones-Hamilton on February 28, 2006 to sell the HCL produced by Norphlet to Jones-Hamilton. During the summer of 2006, Tulstar Refrigerants was told of work stoppages at Norphlet due to lack of funding to complete the project. Generally, Tulstar Refrigerants understood that Jones-Hamilton agreed to loan money to the project and to be repaid in product. At the request of Norphlet, Tulstar Refrigerants executed an amendment to the Norphlet-Tulstar Refrigerants Agreement which is included in Attachment 1 on August 21, 2006 in order to allow this funding to take place. Due to its investment in Norphlet, Tulstar Refrigerants understood that Jones-Hamilton became increasingly involved with the completion of the project and the operations at Norphlet, including having numerous Jones-Hamilton executives on Norphlet's executive committee and board, having Jones-Hamilton personnel on site several days per week, hiring experts to advise on changes required to get the plant running to required specifications, funding those changes, and attempting to produce HFC-134a and HCL from the process. Tulstar Refrigerants was told that Jones-Hamilton put some of Norphlet's personnel directly on its payroll. Because no one from Tulstar Refrigerants or Tulstar Products was either on site at Norphlet's facility or familiar with the details of the operations, the persons who are believed to be most knowledgeable about day to day activities are:

Jeff Garrison (President), Vic Forte (VP Operations) and David Henry (CFO) of Norphlet

Evert Talbot (Jones-Hamilton on site representative and Manager-Chemical Division who maintained an office inside of Norphlet's facility),

Brian D. Brooks (Chief Financial Officer), Jones-Hamilton Co., 3054 Tracy Road, Walbridge, Ohio 43465-9792, 419-666-9838, bbrooks@jones-hamilton.com, and

Robert James (President), Jones-Hamilton Co., rjames@jones-hamilton.com

Question No. 6:

What is or was Tulstar's relationship with Mexichem in connection with the acquisition of raw materials or other chemical compounds for production of refrigerants at the Site? Provide copies of all contracts/agreements and bills of lading, invoices, receipts, and payment documents, as well as import and export documents, involving the Tulstar and Mexichem arrangement for materials (e.g. AHF) for Norphlet's HFC-134a process at the Site, and any similar arrangements between Tulstar and any other companies concerning the Site. Provide the date(s) of Tulstar-Mexichem negotiations and agreements, and identify all persons at Mexichem and at Tulstar involved in arranging these transactions.

Response to Question No. 6:

An agreement was entered into for the purchase of anhydrous hydrogen fluoride ("AHF") from Quimica Fluor on February 28, 2006. It is the understanding of Tulstar Refrigerants that Mexichem is a successor or related organization to Quimica Fluor. When notified in accordance with the Norphlet-Tulstar Refrigerants Agreement, arrangements were made to ship two rail cars of AHF to Norphlet in August of 2007. The contract and paperwork related to the two AHF railcar shipments can be found in Attachment 6. For clarification, AHF means anhydrous HF and references to HF in this letter refer to the AHF that was supplied by Mexichem (Quimica Fluor) although after it became contaminated with water due to inappropriate storage and handling by Norphlet as discussed below, it was no longer anhydrous. When notified in accordance with the contract with Norphlet, TCE for the Norphlet plant was purchased from Dow Chemical Company. There was no contractual arrangement for the purchase of TCE. Paperwork related to the TCE shipments is also provided in Attachment 7.

The first contact with Arnolde De Leon Romo and Hector Valle Martin from Quimica Fluor appears to be in November, 2005 and discussions with them continued until the contract was executed at the end of February, 2006. Mark Nagle, Phil Bates and Mark Fletcher (all shareholders of Tulstar Refrigerants) were involved in the negotiations on behalf of Tulstar Refrigerants. Pursuant to the ASA, Tulstar Products assisted with the order process for the AHF and TCE and, to the extent orders were made in its name, such orders and the raw materials were immediately transferred to Tulstar Refrigerants to facilitate the performance of its obligations under the Norphlet-Tulstar Refrigerants Agreement.

Question No. 7:

What was the agreement between Honeywell and Norphlet and/or Tulstar? Please provide any contracts or agreements concerning any parties associated with Honeywell.

Response to Question No. 7:

Neither Tulstar Refrigerants nor Tulstar Products has any contract or agreement with Honeywell and it is unknown if Norphlet has any such arrangement. The current accounting system, which was implemented in January 2006, indicates no payments to or receipts from Honeywell.

Question No. 8:

In December 2008, Tulstar Refrigerants was dissolved as a corporation according to the records of the Nevada Secretary of State. Provide documentation on the dissolution of Tulstar Refrigerants (including any plan to wind up its affairs), and explain the current status of Tulstar Refrigerants, including the disposition of its assets and liabilities.

Response to Question No. 8:

Tulstar Refrigerants was dissolved due to administrative error and was subsequently revived pursuant to Nevada law. As a result of the revival, the dissolution had no legal or practical effect on the corporation under Nevada law. Copies of the dissolution and revival paperwork can be located in Attachment 8. Tulstar Refrigerants' assets consist primarily of an account receivable from Norphlet. Its liabilities consist of a payable to Tulstar Products.

Question No. 9:

In his letter of May 11, 2009, counsel for Tulstar attached a copy of a tolling agreement dated February 24, 2005, and an undated amendment thereto, between Tulstar Refrigerants and Norphlet, asserting that this was a copy of the correct and restated tolling agreement for production of HFC-134a at the Norphlet Site and a copy of the amendment thereto. In a supplemental email response to questions from EPA counsel, counsel for Tulstar has stated *inter alia*: (a) the initial such agreement between Tulstar Refrigerants LLC and Norphlet was executed on December 13, 2005, and that Tulstar Refrigerants LLC was never formed; (b) Tulstar Refrigerants was incorporated in Nevada on February 14, 2006; (c) the actual correct and restated contract between Tulstar Refrigerants and Norphlet was dated February 24, 2006, and not February 24, 2005, which date was in fact a proof reading error and mistaken date; and (d) the said amendment to the contract between Tulstar Refrigerants and Norphlet was executed on August 21, 2006. Please affirm whether each of these statements and the content thereof is true and correct. If not, explain why not for each element or statement that is considered not true or incorrect.

Response to Question No. 9:

- (a) Except for the fact that the Norphlet-Tulstar Refrigerants Agreement is a purchase and sale agreement and not a tolling agreement, this statement is true and correct to the best of our knowledge.
- (b) This statement is true and correct to the best of our knowledge.
- (c) This statement is true and correct to the best of our knowledge.
- (d) This statement is true and correct to the best of our knowledge.

Question No. 10:

Please state whether the security agreement signed by Norphlet for the benefit of the Arkansas Department of Economic Development (ADEL) and signed and approved by W. Mark Nagle of Tulstar, which is dated December 5, 2005, and is attached to the December 13, 2005 tolling agreement contract between Norphlet and Tulstar, is a true copy of such security agreement. Please state whether the copy of the said December 13, 2005 contract is a true copy of said contract. If not, explain why not. (Reference here is to the copies of the said instruments enclosed with the EPA general notice letter to Tulstar under CERCLA).

Response to Question No. 10:

Neither Tulstar Products nor Tulstar Refrigerants are parties to any agreements between ADEL and Norphlet. Tulstar Refrigerants is aware of a "Collateral Assignment of Contract" and a copy that agreement, which to Tulstar's knowledge is a true copy, is attached as Attachment 9 hereto. As noted in Section 7 of that agreement Tulstar Refrigerants signed such document "for the sole purpose of acknowledging its consent to the assignment" of the Norphlet-Tulstar Refrigerants Agreement from Norphlet to ADEL. The copy of the December 13, 2005 purchase and sale agreement contained in the EPA General Notice Letter is believed to be a true copy, although such agreement was replaced by the corrected Norphlet-Tulstar Refrigerants Agreement executed on February 24, 2006 as described in Question and Response No. 9 above. The "Collateral Assignment of Contract" was not "attached to" the purchase and sale agreement as indicated in the above question.

Question No. 11:

Provide the specific policy coverage documents for the Ironshore (IronEnviro Insurance Binder) liability insurance policy that was provided to EPA in your May 11, 2009 response letter. Provide complete copies of all insurance policy documents covering operations at Norphlet (the Site) for all periods of coverage during the pendency of the contractual tolling agreement between Tulstar and Norphlet for the production of HFC-134a, including the period of December 13, 2005, to the present.

Response to Question No. 11:

A copy of all known Certificates of Liability Insurance and all insurance policies received to date are attached as Attachment 10. While all policies have been requested more than once, as of submission of this response, policy documents have not yet been received from American Int'l Specialty Lines or Eagle Insurance Company, who provided coverage during part of the period described in the above question.

Question No. 12:

State whether notice was ever provided to the ADED under paragraph number 2 (or otherwise) of the security agreement described in question number 10 above. If given, please provide a copy of any such notice(s) and any related documents or if not in the possession of Tulstar or its agents, identify any person(s) who may possess a copy of such notice(s).

Response to Question No. 12:

Tulstar Refrigerants has no knowledge that Norphlet ever provided the notice to ADED pursuant to paragraph 2 (or otherwise) of the Collateral Assignment of Contract described in question number 10 above. Tulstar Refrigerants had no obligations under such agreement.

Question No. 13:

If you have any reason to believe that there may be persons able to provide a more detailed or complete response to any question contained herein, or who may be able to provide additional responsive documents, please identify such persons and their contact information.

Response to Question No. 13:

See above responses to Questions 2, 3 and 4 above which identify various individuals believed to have detailed knowledge regarding Norphlet's operations and facilities. Operational questions are more appropriately directed to those who were involved with operations at Norphlet as identified in the response to those questions.

Insurance policy information may more readily be available from David Henry, CFO of Norphlet or the agent Mr. Cecil Polk of Associates Insurance Services, 104 East Grove, P.O. Box 1112, El Dorado, AR 71731-1112; Ph. (870) 862-5413.

With respect to the agreements between Norphlet and ADED, individuals from ADED or Norphlet may have this information, including John Garrison (CEO), Jeff Garrison (President) and David Henry (CFO) of Norphlet and David Nevala with ADED.

Question No. 14:

On May 3, 2009, Solvay Chemicals received and transported a tank load (over 8,000 gallons) of anhydrous hydrogen fluoride (AHF) via rail car from the Site. Was this transaction

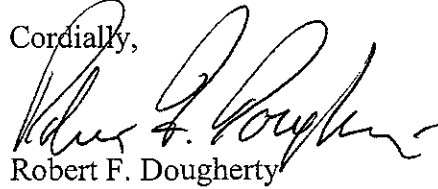
arranged by Tulstar Products, Inc., and if so, what was the consideration provided to Tulstar by Solvay or Solvay's agents in exchange for the tank load of AHF?

Response to Question No. 14:

As discussed above, Norphlet was to use the raw materials AHF and TCE to produce HFC-134a and HCL at Norphlet's facility. After being advised by representatives of Norphlet that some unused HF remained in a tank at Norphlet's facility and that Norphlet had apparently shut down its operations, Tulstar Refrigerants, as a good corporate citizen and out of concern for the public welfare, voluntarily attempted unsuccessfully for several months to locate a purchaser for this valuable commercial raw material. It was logical for Tulstar Refrigerants to do so as the shareholders of Tulstar Refrigerants are in the business of marketing chemicals for purchase and sale in the marketplace. However, locating a purchaser for the HF was complicated by the fact that the water content of the HF had increased from its original state as a result of apparent mishandling or inappropriate storage by Norphlet. Solvay Fluorides, LLC ("*Solvay*") was identified as a potential purchaser of the HF as it is in the business of marketing and selling HF commercially and apparently had railcars reasonably available that were capable of transporting the HF with the increased water content. Upon being notified again by Norphlet representatives and, this time, ADED representatives as well, about concern that some of the tanks at Norphlet's facility had corrosion as further described in the above response to Question No. 4, Rob Dougherty, attorney for Tulstar Refrigerants was engaged to find a way to negotiate the removal of the HF with Solvay, Norphlet, and Jones-Hamilton as quickly as possible. Although Solvay requested Jones-Hamilton's participation and waiver of any rights to the HF, Jones Hamilton refused to do so or to even cooperate in the removal efforts in any way.

While efforts to finalize an agreement with Solvay were underway, the EPA arrived at the Site. The EPA was advised that the parties were close to finalizing an agreement to remove the HF and allowed those efforts to continue. A three-party agreement between Solvay, Norphlet and Tulstar Refrigerants was executed but, due to the circumstances, Solvay had a superior bargaining position and agreed that it would take the HF but would not pay for it, even though it would clearly profit from the resale of this valuable raw material, and would not pay for the loading of the rail car or the transportation to its facility. Pursuant to the agreement, Norphlet agreed to perform all work to remove the HF from the tank and load it into the railcar at the Site at its cost and Tulstar Refrigerants agreed to pay the freight costs. Tulstar's only role was the payment of freight costs to the railroad and its personnel were never on Site and had no physical involvement with the HF removal, the shipment to Solvay or the unloading of the HF at Solvay's facility. The HF was safely removed and put back into commerce as a valuable commercial raw material and the taxpayers were spared the likely very large expense of having to dispose of the HF.

Question No. 14 is the last question in the Request. If you have any questions or need additional information regarding any of the above responses, please do not hesitate to contact me.

Cordially,

Robert F. Dougherty

RFD:mss

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LIST OF ATTACHMENTS

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|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Attachment 1 | Norphlet-Tulstar Refrigerants Agreement (Referred to in Responses to Question Nos. 2, 5 and 9) |
| Attachment 2 | Administrative Services Agreement between Tulstar Refrigerants, Inc. and Tulstar Products, Inc. (Referred to in Responses to Question Nos. 2 and 6) |
| Attachment 3 | Demand Letters Sent to Norphlet (Referred to in Response to Question No. 2) |
| Attachment 4 | Correspondence from Jones-Hamilton Regarding Clean Harbors Disposal (Referred to in Response to Question No. 4) |
| Attachment 5 | February 27, 2009 Correspondence from Arkansas Dept. of Economic Development (Referred to in Response to Question No. 4) |
| Attachment 6 | Mexichem Contract and Associated Paperwork (Referred to in Response to Question No. 6) |
| Attachment 7 | Paperwork Relating to TCE Shipments from Dow Chemical (Referred to in Response to Question No. 6) |
| Attachment 8 | Dissolution and Revival Documents of Tulstar Refrigerants, Inc. (Referred to in Response to Question No. 8) |
| Attachment 9 | Collateral Assignment of Contract Between Arkansas Dept. of Economic Development and Norphlet Chemical, Inc. (Referred to in Response to Question No. 10) |
| Attachment 10 | Insurance Certificates and Policies (Referred to in Response to Question No. 11) |